The total coal requirement of the power sector by 2011-12 has been estimated at 550 MT. Bulk of this is expected to be met through domestic sources. The steps taken by the Government to increase the production of coal include allocation of 130 coal blocks to different stake holders; Coal India Limited has identified 119 coal projects to be taken up during the Eleventh Plan; Singreni Colliery Company Limited (SCCL) has identified another 25 projects to be taken up during the Eleventh Plan; in addition, Coal India Limited, under 'Emergency Coal Production Plan' has identified 16 open cast projects/mines from where production will be enhanced.

Loan for renovation and modernization of power plants

2862. SHRI B.J. PANDA:
MS. PRAMILA BOHIDAR:

Will the Minister of POWER be pleased to state:

(a) whether NTPC has entered into a pact with Germany's banking group KFW bankengruppe for a term-loan of $ 100 million, to be utilized on renovation and modernization of its power plants in the country; and

(b) if so, the details thereof, *inter-alia*, indicating the units proposed to be modernized in Orissa?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) and (b) NTPC Ltd. has entered into a Loan Agreement on 23rd March, 2007 for US Dollar 100 million with Kreditanstalt fur Wiederaufbau (KFW) for funding the expenditure on Renovation and Modernization of its power plants.

The loan has a maturity period of 10 years including the disbursement period of 3 years. The loan carries variable interest rate linked to US Dollar London Interbank Offered Rate (LIBOR) plus a fixed spread.

Presently NTPC Ltd. has proposed Renovation and Modernization schemes of eight power stations including Talcher Thermal Power Station (460 MW) in Orissa. However, the Loan Agreement has the provision to add further stations subject to the acceptance of KFW.

Steps to meet power shortage

2863. SHRI DARA SINGH: Will the Minister of POWER be pleased to state:

(a) whether any meeting between him and the Chief Ministers of States was held in New Delhi in May, 2007, which was addressed by the Prime Minister and a decision was taken therein to tide over the power shortage in the country;

(b) whether it was decided to utilize some of the merchant provisions in the Regulators Act and give policy directives to power regulators in which they should function; and

(c) if so, the details of the discussion and the outcome thereof?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) A conference of Chief Ministers of States and UTs on Power Sector issues was convened on 28th May, 2007 at New Delhi under the chairmanship of the Prime Minister.

(b) and (c) There was a general consensus on all the themes discussed at the conference including the operationalisation of open access in transmission and distribution to ensure greater competition in the supply of electricity. A copy of the Resolution adopted at the conference is attached herewith as a Statement.

Statement

RESOLUTION

Chief Ministers' Conference on Power

1. The Conference recognizes the vital importance of the power sector in the development of the economy which is on a trajectory of high growth and resolves that a time bound closely monitored action programme for accelerated capacity addition, drastic loss reduction, achievement of the rural electrification targets set out under Bharat Nirman, and promotion of efficient energy and Demand Side Management, be put in place at the Centre and in the States.

2. The Conference acknowledges that electricity is a concurrent subject. The States and the Centre shall jointly endeavour to provide access to electricity to all. The States are conscious of their primary responsibility of ensuring availability and distribution of electricity. The continued proactive initiatives of the Union Government in coordinated planning, supplementing generation through Central Public Sector Undertakings, inter-state and inter region transmission, rural electrification, providing financial assistance through various programmes and institutions, and in guiding the reforms process, along with the proactive stance of the States, are vital to achieve this objective.

3. The Conference acknowledges that the Bharat Nirman targets for rural electrification have to be met in order to ensure that rural India has adequate access to electricity; and resolves that the Central Government would, through the Rajiv Gandhi Grameen Vidyutikaran Yojana, continue to assist the State Governments help expand their rural networks and extend household connections to BPL families as set out under Bharat Nirman. The Government of India, in discharge of its statutory functions under the Electricity Act, would extend all possible financial and techno-managerial support. The States would urgently formulate clear, cost effective and comprehensive rural electrification plans which would address the concerns of sustainability, availability, affordability and delivery of power. The States should also develop appropriate revenue and franchisee models that may use system improvements to meet the requirements of the rural areas and disadvantaged groups, particularly wherever it is a better alternative to existing arrangements. The Centre shall support the States in their commitment and take into account the special requirements of different States.

4. The Conference noted with concern that the country is presently facing serious peaking and energy shortages, and resolves that the States and the Centre would vigorously pursue the capacity addition programmes so as to create

capacities in line with the rapid growth of demand of electricity and eliminate shortages within the Eleventh Plan to ensure the goal of "Power for all by 2012". The Centre and the States would ensure timely placement of orders by December, 2007 for all projects intended to give benefits during the Eleventh Plan and ensure regular monthly project monitoring for their timely commissioning along pre-determined milestones. The Centre would set up a National Power Project Management Board for monitoring the timely commissioning of the unprecedented capacity addition and associated transmission projects. The States would also set up similar dedicated apparatus. Immediate steps would also be taken to expedite the development of hydro power and renewable sources. The Centre would continue to ensure the timely development of inter-state and inter-region transmission lines, with active facilitation by the States. Matching sub-transmission and distribution networks would be created by the States to synchronize with the capacity addition. The States supported the initiative of the Centre to set up Ultra Mega Power Projects (UMPPs). The Centre would also develop the necessary transmission network for UMPPs. The States would continue to effect further improvement in the PLF of their existing generating stations. The Government of India would facilitate the timely and adequate availability of coal and gas for the generating plants at reasonable and competitive prices within the existing legal framework. The linkage from coal fields will be locationally rationalized, to the extent possible.

5. The Conference recognizes that an estimated captive generating capacity of about 20,000 MW is being sub-optimally utilized in a phase of critical power shortage; and resolves that no generating capacity would be left idle. The States would facilitate captive power plants to provide spare generating capacity to the grid and strive to do away with restrictive levies, duties and regulations in a time-bound manner.

6. The Conference further resolves that the States commit themselves to operationalizing 'open access' in the transmission and distribution sectors and resolve to issue policy directives to regulators, if necessary, to appropriately restructure cross subsidy surcharge, wheeling charges and other charges, with a view to augment the quantum of power flowing into the grid in the prevailing environment of shortages.

7. The Conference recognizes that the operationalizing of 'open access' and competition in the supply of electricity to consumers would improve the supply position, help lower the tariffs and attract much needed investment in capacity addition; and resolved that the Centre and the States would unshackle generation, transmission and distribution to enhance the availability of electricity and its unhindered movement to consumers. The Centre and the States would also issue any necessary policy directives to any undertaking or regulator to this end, in the interest of consumers, within and outside the concerned State.

8. The Conference recognizes that the current level of AT&C losses constitute a grave threat to the viability of the power sector and the distribution segment, which is currently losing about Rs. 47,000 crores per annum, is the weakest link in the power system; and resolves that the States commit themselves to achieve and sustain drastic reduction in the overall AT&C losses through the next five years,

and at least to a level of 15% in the APDRP project areas as has been demonstrated by the participating States in 163 towns and cities. Towards this end, the States with appropriate assistance from the Centre would establish the necessary baseline data and IT applications for energy accounting and auditing, besides ensuring a resolute elimination of electricity theft, which is negating various investments and initiatives for power sector reforms. It is further reiterated that where free or subsidized power is provided to a section of consumers, the State Government shall ensure upfront payment of the same to the utilities.

9. The Conference recognizes that there is a very significant potential of saving electricity through its efficient use; and resolves that States and the Centre should focus on Demand Side Management measures and ensure such interventions as would provide immediate results for saving electricity. These interventions could include bulk procurement and distribution of CFLs, adoption of the Energy Conservation Building Code (ECBC), promoting and mandating the use of energy efficient pump sets and other energy efficient equipment and appliances, besides giving appropriate financial and tax incentives for their manufacture.

10. To periodically review the implementation of the resolutions adopted in the Conference, it is decided to set up a Standing Group of Power Ministers under the Chairmanship of the Union Power Minister to meet once a quarter.

Electrification of villages

2864. SHRI RAJKUMAR DHOOT: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that under the Rajiv Gaildhi Grameen Vidyutikaran Yojana, projects for rural electrification of 316 districts, at a cost of Rs. 11514.22 crore, were sanctioned;

(b) if so, the details of un-electrified villages and BPL households covered so far, and the amount of money spent, State-wise; and

(c) by when the remaining un-electrified villages and BPL households are likely to be covered under rural electrification?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) In view of the approved limit of Rs. 5000 crore as capital subsidy for Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) during Tenth Plan period, the Government had taken up 235 projects of 234 districts with an outlay of Rs. 9696.14 crore for implementation in Phase-I of the scheme.

(b) The State-wise details of coverage of un-electrified villages and Below Poverty Line (BPL) households under 235 projects are given in the Statement-I (*See* below).

The implementing agencies have so far availed a sum of Rs. 5475.15 crore, State-wise details are given in the Statement-II (*See* below).

(c) The sanction/execution of additional projects would be accorded after the scheme is approved for continuation in Eleventh Plan period.